

SENATE, No. 841

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

SYNOPSIS

Requires direct payment of homestead credit to claimant following sale of qualifying homestead and upon claimant request.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee with technical review.



1 **AN ACT** requiring the direct payment of a homestead credit to the
2 claimant if the claimant requests the direct payment following
3 the sale of the qualifying homestead, and amending P.L.1990,
4 c.61.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. Section 7 of P.L.1990, c.61 (C.54:4-8.63) is amended to read
10 as follows:

11 7. a. The State Treasurer annually on or before October 31,
12 upon certification of the director and upon warrant of the Director
13 of the Division of Budget and Accounting, shall pay and distribute
14 the amount of a homestead rebate payable under this act that is
15 claimed for the prior tax year to each claimant whose rebate is
16 approved by the director.

17 b. A homestead credit allowed by the Director of the Division
18 of Taxation to a claimant who claimed a homestead credit pursuant
19 to section 3 of P.L.1990, c.61 (C.54:4-8.59), and whose homestead
20 is not a unit in a cooperative, mutual housing corporation or
21 continuing care retirement community, shall be paid by the State
22 Treasurer, through electronic funds transfer made by the director to
23 the local property tax account maintained by the local tax collector
24 for the homestead of the claimant as the claimant shall identify, in
25 equal installments after the application for the credit has been
26 approved, at the dates and in the manner as the director shall
27 determine to best coincide with the next local property tax quarterly
28 due dates of August 1 and November 1. Notice of payments of
29 credit installments shall be provided to the claimant and the
30 appropriate local tax collector.

31 c. Notwithstanding subsection b. of this section, the director
32 shall provide a homestead benefit under this act as a credit only if
33 the director can ensure that the benefit will be applied to the
34 appropriate taxpayer. Otherwise, the director may remit a
35 homestead benefit to an eligible taxpayer as a rebate. Provided
36 further, the director shall remit a homestead benefit directly to an
37 eligible taxpayer by paper check, prepaid debit card, electronic
38 direct deposit into the taxpayer's bank account or any other
39 disbursement method that the director may deem appropriate, if the
40 taxpayer: (1) sells, after the taxpayer's application for a homestead
41 benefit, the homestead for which the taxpayer qualified for a
42 homestead benefit; and (2) notifies the director prior to the payment
43 of the homestead benefit, on a form to be developed and furnished
44 by the director, of the sale and the taxpayer's election to directly
45 receive the homestead benefit.

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 d. Notwithstanding subsection b. of this section, a resident
2 homeowner of this State who is 65 years of age or older at the close
3 of the tax year or who is allowed to claim a personal deduction as a
4 blind or disabled taxpayer pursuant to subsection (b) of
5 N.J.S.54A:3-1, shall receive the credit in the form of a rebate
6 payment in calendar year 2007, but will receive credits in future
7 years starting in calendar year 2008, unless the claimant elects in
8 the claimant's homestead credit application to receive a rebate.
- 9 e. Notwithstanding subsection b. of this section, if the director
10 determines that homestead benefits for a particular tax year cannot
11 be administered and delivered as credits efficiently, the director
12 may remit homestead benefits for that year as rebates.
13 (cf: P.L.2007, c.62, s.25)
14
- 15 2. This act shall take effect immediately.